PALISADES GOLDCORP LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders and the Board of Directors of
Palisades Goldcorp Ltd.

Opinion

We have audited the consolidated financial statements of Palisades Goldcorp Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Impairment loss for investment in associate— Refer to Notes 2 and 8 to the financial statements

Key Audit Matter Description

At each balance sheet date, management considers whether there is objective evidence that its investment in associates are impaired. Management applies significant judgment in the determination of whether there is objective evidence of impairment, including the assessment of one or more loss events that would evidence a significant or prolonged decline in the fair value of the investment in associates below its carrying value. During the year ended December 31, 2023, the Company recognized an impairment write-down on its investment in New Found Gold Corp. (the "Investment") and an impairment analysis was performed to determine the fair value, resulting in the recognition of an impairment loss of $20 million.

There were significant judgments made in the determination of whether objective evidence of impairment existed in accordance with the applicable accounting standards and the determination of the Investment's fair value. Performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to whether objective evidence of impairment existed and the determination of the Investment's fair value required a high degree of auditor judgment and an increased extent of audit effort.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the determination of whether objective evidence of impairment existed and the determination of the Investment's fair value, included the following, among others:

- Assessed management's analysis of whether objective evidence of impairment existed, including the assessment of recent share price history and current market conditions; and

- Evaluated the reasonableness of management's determination that the market closing price represented the Investment's fair value.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is David Macdonald.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia
April 1, 2024

PALISADES GOLDCORP LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	December 31, 2023 $	December 31, 2022 $
ASSETS			
Current assets			
Cash and cash equivalents		838,113	5,390,215
Investments	5	7,724,605	18,049,860
Assets held for distribution	7	-	1,993,438
Interest and other receivables		-	33,300
Prepaid expenses and deposits		18,716	13,390
Total current assets		8,581,434	25,480,203
Non-current assets			
Investment in New Found Gold Corp.	8	218,399,205	258,612,464
Total non-current assets		218,399,205	258,612,464
Total Assets		226,980,639	284,092,667
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	73,874	178,309
Total current liabilities		73,874	178,309
Non-current liabilities			
Deferred tax liability	13	52,153,364	66,535,269
Total non-current liabilities		52,153,364	66,535,269
EQUITY			
Share capital	10	32,716,793	36,032,641
Treasury shares	10	(195,995)	-
Contributed surplus	10	46,803,829	37,255,771
Retained earnings		95,428,774	144,090,677
Total equity		174,753,401	217,379,089
Total Equity and Liabilities		226,980,639	284,092,667

NATURE OF OPERATIONS (Note 1)
CONTINGENT LIABILITY (Note 14)
SUBSEQUENT EVENT (Note 17)

These consolidated financial statements are authorized for issue by the Board of Directors on April 1, 2024. They are signed on the Company's behalf by:

"Gregor Gregersen" , Director   *"Elizabeth Harrison"* , Director

The accompanying notes are an integral part of these consolidated financial statements.

PALISADES GOLDCORP LTD.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Note	Year ended December 31, 2023	Year ended December 31, 2022
		$	$
Income (loss)			
Net investment losses	6,7	(10,963,992)	(46,327,438)
Dividend income		17,224	107,062
Interest income		69,530	73,936
Total loss		(10,877,238)	(46,146,440)
Expenses			
Consulting and salaries	9	1,100,105	1,294,515
Corporate development		165,463	153,339
Exploration		-	2,672
Foreign exchange loss		3,988	392,495
Gain on dilution of equity investment	8	(369,824)	(478,018)
Loss from equity investment	8	21,020,996	24,938,130
Impairment loss on equity investment	8	19,562,087	136,843,921
Interest		-	504
Office and sundry		95,642	155,611
Professional fees		873,041	1,351,623
Share-based compensation	9,10	9,548,058	-
Transfer agent and regulatory fees		116,544	8,925
Travel		50,470	26,842
Total expenses		52,166,570	164,690,559
Other income (loss)			
Gain on loss of control of Godzilla Gold Corp.	4(i)	-	2,670,118
Impairment loss on other assets		-	(50,000)
Impairment loss on convertible notes		-	(587,329)
Recovery of loans previously written-off		-	1,846,539
Total other income		-	3,879,328
Loss before income taxes		(63,043,808)	(206,957,671)
Income tax recovery			
Current		-	-
Deferred	13	(14,381,905)	(58,797,223)
Net loss and comprehensive loss for the year		(48,661,903)	(148,160,448)
Net loss and comprehensive loss for the year attributable to:			
Owners of the Company		(48,661,903)	(148,078,541)
Non-controlling interests		-	(81,907)
		(48,661,903)	(148,160,448)
Loss per share – basic ($)		(1.00)	(3.00)
Loss per share – diluted ($)		(1.00)	(3.00)
Weighted average number of shares outstanding			
Basic	11	48,644,413	49,345,977
Diluted	11	48,644,413	49,345,977

The accompanying notes are an integral part of these consolidated financial statements.

PALISADES GOLDCORP LTD.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Cash flows from operating activities		
Loss for the year	(48,661,903)	(148,160,448)
Items not affecting cash:		
Investment losses	10,973,690	47,948,710
Impairment loss on convertible notes	-	587,329
Impairment loss on other assets	-	50,000
Deferred income tax recovery	(14,381,905)	(58,797,223)
Gain on loss of control of Godzilla Gold Corp. (Note 4(i))	-	(2,670,118)
Impairment loss on equity investment	19,562,087	136,843,921
Gain on dilution of equity investment	(369,824)	(478,018)
Loss from equity investment	21,020,996	24,938,130
Share-based compensation	9,548,058	-
Adjustments for:		
Proceeds on disposal of investments	8,137,704	16,546,811
Purchases of investments	(6,792,702)	(4,914,395)
Decrease (increase) in interest receivable	33,300	(45,629)
(Increase) in prepaid expenses and deposits	(5,326)	(10,721)
(Decrease) in accounts payable and accrued liabilities	(104,434)	(14,872,131)
Net cash used in operating activities	(1,040,259)	(3,033,782)
Cash flows from financing activities		
Re-purchase of common shares	(3,511,843)	-
Net cash used in financing activities	(3,511,843)	-
Net decrease in cash and cash equivalents	(4,552,102)	(3,033,782)
Cash and cash equivalents at beginning of year	5,390,215	8,423,997
Cash and cash equivalents at end of year	838,113	5,390,215

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (Note 12)

PALISADES GOLDCORP LTD.
Consolidated Statement of Changes in Equity
(Expressed in Canadian dollars)

	Equity attributable to equity holders of the Company							
	Number of shares	Amount $	Treasury Shares $	Contributed surplus $	Retained earnings $	Total $	Non-controlling interest $	**Total equity $**
Balance at December 31, 2021	64,568,313	92,278,940	(27,724,559)	37,255,814	292,169,218	393,979,413	(12,665)	**393,966,748**
Distribution of shares of Nevada King (Note 7)	-	(2,321,992)	-		-	(2,321,992)	-	**(2,321,992)**
Distribution of shares of GoldSpot Discoveries Corp. (Note 7)	-	(8,388,859)	-		-	(8,388,859)	-	**(8,388,859)**
Sale of Godzilla Gold Corp. (Note 4(i))	-	-	-	(43)	-	(43)	94,572	**94,529**
Shares received on exchange of Silver Bullion SG shares (Note 5, 9)	-	-	(17,810,889)	-	-	(17,810,889)	-	**(17,810,889)**
Shares returned to treasury and cancelled (Note 10)	(2,254,761)	(17,810,889)	17,810,889	-	-	-	-	-
Shares returned to treasury on amalgamation with 1338072 BC Ulc and cancelled (Note 10)	(12,967,575)	(27,724,559)	27,724,559	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(148,078,541)	(148,078,541)	(81,907)	**(148,160,448)**
Balance at December 31, 2022	49,345,977	36,032,641	-	37,255,771	144,090,677	217,379,089	-	**217,379,089**
Shares re-purchased and cancelled (Note 10)	(1,342,000)	(3,315,848)	-	-	-	(3,315,848)	-	**(3,315,848)**
Shares re-purchased and not yet cancelled (Note 10)	-	-	(195,995)	-	-	(195,995)	-	**(195,995)**
Share-based compensation (Note 9,10)	-	-	-	9,548,058	-	9,548,058	-	**9,548,058**
Total comprehensive loss for the year	-	-	-	-	(48,661,903)	(48,661,903)	-	**(48,661,903)**
Balance at December 31, 2023	48,003,977	32,716,793	(195,995)	46,803,829	95,428,774	174,753,401	-	**174,753,401**

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

Palisades Goldcorp Ltd. (the "Company") was incorporated on August 30, 2019 as Palisades Acquisitions Corp. under the Business Corporations Act in the Province of British Columbia. The address of the Company's registered office is Suite 3500, The Stack, 1133 Melville Street, Vancouver, British Columbia V6E 4E5. On September 24, 2019 the Company changed its name to Palisades Goldcorp Ltd. On February 6, 2023, the Company completed an initial public offering and listed on the TSX Venture Exchange ("TSXV") as a Tier 2 issuer under the symbol "PALI".

The Company is a resource investment company and merchant bank focused on junior companies in the resource and mining sector. The Company seeks to acquire equity participation in pre-IPO and early stage public resource companies with undeveloped or undervalued high-quality projects. The Company focuses on companies that are in need of financial resources to realize their full potential, are undervalued in capital markets and/or operate in jurisdictions with low to moderate local political risk.

2. BASIS OF PREPARATION

a) Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with and using accounting policies in compliance with the International Financial Reporting Standards ("IFRS") effective for the Company's reporting for the years ended December 31, 2023 and 2022.

b) Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis, except for investments measured at fair value, and are presented in Canadian dollars.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries at December 31, 2023 and 2022 as follows:

	Location	Ownership Interest at December 31, 2023	Ownership Interest at December 31, 2022	Principal Activity
Palisade Global Investments Ltd. (1)	Belize	N/A	N/A	Investment company
1338072 BC Ulc. (2)	Canada	N/A	N/A	Holding company
Godzilla Gold Corp. (3)	Canada	0%	0%	Exploration company

(1) Palisade Global Investments Ltd. ("Palisades Global") was dissolved and deconsolidated on April 9, 2022 (see Note 10).
(2) On December 15, 2021, the Company incorporated 1338072 BC Ulc. On September 22, 2022, the Company completed an amalgamation with 1338072 BC Ulc (see Note 10).
(3) On January 31, 2022, the Company sold its 62.77% interest in Godzilla Gold Corp. ("Godzilla") to Golden Planet Mining Corp. and as a result has deconsolidated Godzilla from its consolidated financial statements (see Note 4(i)).

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When the Company has less than a majority of the voting or similar rights of an entity, the Company considers all relevant facts and circumstances in assessing whether it has power over an entity, including but not limited to, the contractual arrangement with the other vote holders of the entity, rights arising from other contractual arrangements, and the Company's potential voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

2. BASIS OF PREPARATION (continued)

c) Basis of consolidation (continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Company's accounting policies. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the financial statements.

When the Company loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets, less liabilities of the subsidiary and any non-controlling interests. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture. In case of a dilution of interest, when the Company's ownership in a subsidiary change but the change does not result in a loss of control, these changes are accounted for in equity.

d) Critical accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the consolidated financial statements are as follows:

(i) Determination of fair values

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements.

The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring or disclosing the fair value, and to provide additional disclosure in connection therewith (Note 5).

1) Publicly-traded investments (i.e., securities of issuers that are public companies)

Securities including shares, options, warrants which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted bid prices at the statement of financial position dates or the closing trade price on the last day the security traded if there were no trades at the statement of financial position dates. These are included in Level 1 in Note 5.

2. BASIS OF PREPARATION (continued)

d) Critical accounting judgments, estimates and assumptions (continued)

For options and warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, an option pricing model is used; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value. These are included in Level 2 in Note 5.

2) Private company investments (securities of issuers that are not public companies)

All privately-held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may be adjusted using one or more of the valuation indicators described below. These are included in Level 3 in Note 5. Options and warrants of private companies are valued using an option pricing model when there are sufficient and reliable observable market inputs; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed.

The fair value of a privately-held investment may be adjusted if:

i) there has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;

ii) there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;

iii) the investee company is placed into receivership or bankruptcy;

iv) based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern; receipt/denial by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed/prohibit with its project(s);

v) filing by the investee company of a National Instrument 43-101 technical report in respect of a previously noncompliant resource;

2. BASIS OF PREPARATION (continued)

d) Critical accounting judgments, estimates and assumptions (continued)

vi) release by the investee company of positive/negative exploration results; and

vii) important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately-held investment are based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that could be realized if a ready market existed. In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

(ii) Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(iii) Business combinations versus asset acquisition

Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require the Company to make certain judgements as to whether or not the assets acquired and liabilities assumed include the inputs, substantive processes, and outputs necessary to constitute a business as defined in IFRS 3 – Business Combinations. Based on assessments of the relevant facts and circumstances, the Company concluded that the acquisitions in Note 4 did not meet the criteria of a business combination; therefore, the transactions were accounted for as asset acquisitions.

(iv) Determination of whether the Company has control of subsidiaries, joint control of joint arrangements or significant influence over investees

Determination of whether the Company has control of subsidiaries or joint control of joint arrangements requires an assessment of the activities of the investee that significantly affect the investee's returns, including strategic, operational and financing decision-making, appointment, remuneration and termination of the key management personnel and when decisions related to those activities are under the control of the Company or require unanimous consent from the investors. Based on assessments of the relevant facts and circumstances, primarily, the Company's ownership interests, board representation and control over operating, strategic and financing decisions, the Company concluded that it had controlled Godzilla up until January 31, 2022 as described in Note 2(c).

(v) Impairment assessment for investment in associate

An associate is an entity over which the investor has significant influence but not control and that is neither a subsidiary nor an interest in a joint venture. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise where the Company has less than 20%, if the Company has the power to participate in the financial and operating policy decisions affecting the entity. The Company's share of the net assets and net earnings or loss is accounted for in the consolidated financial statements using the equity method of accounting. Any distributions received from the associate reduce the carrying amount of the investment.

2. BASIS OF PREPARATION (continued)

d) Critical accounting judgments, estimates and assumptions (continued)

At each balance sheet date, management considers whether there is objective evidence of impairment in associates, including one or more loss events that would evidence a significant or prolonged decline in the fair value of the investment in associate below its carrying value. The net investment in an associate is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment and that loss event or events have a negative impact on the estimated future cash flows from the net investment that can be reliably estimated. If there is such evidence, management determines the amount of impairment to record, if any, in relation to the associate.

The Company had significant influence over New Found during the year ended December 31, 2023 and during the period from June 21, 2021 to December 31, 2022 and as a result has accounted for it as an investment in associate during these periods. Impairment write-downs recognized during the years ended December 31, 2023 and 2022 are described in Note 8.

(vi) Valuation of options granted

The fair value of share purchase options granted is determined at the issue date using the Black-Scholes option pricing model. The Black-Scholes model involves six key inputs to determine the fair value of an option, which are: risk-free interest rate, exercise price, market price at the grant date, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense. These estimates impact the values of share-based compensation expense and reserves.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies used in the preparation of these consolidated financial statements are set out below.

a) Financial instruments

(i) Classification

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period. Financial assets and liabilities classified at amortized cost are measured at amortized cost using the effective interest method.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

a) Financial instruments (continued)

The following table sets out the classifications of the Company's financial assets and liabilities:

Financial assets/liabilities	Classification under IFRS 9
Cash and cash equivalents	Amortized cost
Investments	FVTPL
Accounts payables	Amortized cost

IFRS requires an expected credit loss model for calculating the impairment of financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

(i) Recognition, derecognition and measurement

Purchases and sales of investments are recognized on the settlement date. Financial assets at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the consolidated statements of income and comprehensive income. Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9, Financial Instruments ("IFRS 9").

Subsequent to initial recognition, all investments are remeasured at fair value. Gains and losses arising from changes in the fair value of the investments at fair value through profit or loss category are presented in the consolidated statements of income and comprehensive income within net investment gains or losses in the period in which they arise.

(ii) Reclassification of investments

The Company would only reclassify a financial asset when the Company changes its business model for managing the financial asset. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new carrying value.

There were no reclassifications of financial assets during the years ended December 31, 2023 and 2022.

(iii) Fair value of investment in securities not quoted in an active market or private company investments

Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. This may include reference to company-specific information such as trends in general market conditions, recent observable financing activities, share performance of comparable publicly-traded companies, discounted cash flow modeling, evaluation of intellectual property or other factors that indicate a change in the circumstances of the business that would result in an upward or downward adjustment to fair value at the end of each reporting period. Refer to Note 5 for further details.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

a) Financial instruments (continued)

(iv) Fair value of financial derivatives

Investments in options and warrants that are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, an option pricing model is used; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value.

(v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. There was no offsetting of financial instruments as at December 31, 2023 and 2022.

b) Investments in associates

An associate is an entity over which the investor has significant influence but not control and that is neither a subsidiary nor an interest in a joint venture. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise where the Company has less than 20%, if the Company has the power to participate in the financial and operating policy decisions affecting the entity. The Company's share of the net assets and net earnings or loss is accounted for in the consolidated financial statements using the equity method of accounting. Any distributions received from the associate reduce the carrying amount of the investment.

At each balance sheet date, management considers whether there is objective evidence of impairment in associates, including one or more loss events that would evidence a significant or prolonged decline in the fair value of the investment in associate below its carrying value. The net investment in an associate is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment and that loss event or events have a negative impact on the estimated future cash flows from the net investment that can be reliably estimated. If there is such evidence, management determines the amount of impairment to record, if any, in relation to the associate.

The Company has determined that it had significant influence over New Found during the year ended December 31, 2023 and during the period from June 21, 2021 to December 31, 2022 and as a result has accounted for it as an investment in associate during these periods. Refer to Note 8 for further details.

c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term investments with initial maturities of less than three months.

d) Net investment gains or losses

Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the consolidated statements of loss and comprehensive loss as part of net investment gains (losses).

Upon disposal of an investment, previously recognized unrealized gains or losses are reversed to recognize the full realized gain or loss in the period of disposition. All transaction costs associated with the acquisition and disposition of investments are expensed to the consolidated statements of loss and comprehensive loss as incurred.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

e) Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

(i) Current tax

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

(ii) Deferred tax

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

f) Share distributions

Distributions to the shareholders in the form of cash or investments completed by the Company as a return of capital initially invested by the shareholders are measured at the fair market value of the distribution consideration transferred (cash or investments) on the date of completion of the distribution, and recognized as a reduction in the share capital of the Company.

g) Earnings and loss per share

The Company presents basic and diluted earnings and loss per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share does not adjust the earnings or loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

h) Segment reporting

A segment is a component of the Company that is distinguishable by economic activity (business segment), or by its geographical location (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company has a single reportable business segment, Canada.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i) Initial application of standards, interpretations and amendments to standards and interpretations in the reporting period

The IASB issued certain new accounting standards or amendments that are mandatory for accounting periods on or after January 1, 2023. The effect of such new accounting standards or amendments did not have a material impact on the Company and therefore the Company did not record any adjustments to the financial statements.

As part of the new amendments, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

j) New and amended IFRS standards not yet effective

Certain new accounting standards or interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards and interpretations are not expected to have a material impact on the Company's consolidated financial statements.

4. ACQUISITIONS AND DISPOSITIONS

(i) Godzilla Gold Corp.

On July 28, 2021, the Company completed a purchase of 62.77% of the issued and outstanding common shares of Godzilla at $1.00 per share for a total consideration paid of $627,657. Based on the assessment of the relevant facts and circumstances, primarily the Company's ownership interest post-acquisition, board representation and control over operating, strategic and financing decisions, the Company concluded that it does have control in Godzilla as a result of the acquisition. The entire amount of the purchase price was expensed as mineral property acquisition costs.

In December 2021, the Company agreed to sell its shares of Godzilla representing 62.77% interest in Godzilla to Golden Planet Mining Corp., a company with a director and officer in common, for shares of Golden Planet Mining Corp. with an estimated fair value of $2,510,800. The sale was completed on January 31, 2022. The fair value of consideration received in a form of Golden Planet shares was based on the price of shares issued in a recent financing completed by Golden Planet in 2021, and is considered a Level 3 measurement. As a result, the Company has deconsolidated Godzilla from its consolidated financial statements and recorded a gain on sale of $2,670,118 during year ended December 31, 2022.

(ii) Golden Planet Mining Corp.

In order to enable shareholders of the Company to directly benefit from the Company's equity position in Golden Planet, the Company agreed to distribute all shares of Golden Planet to its shareholders on a basis proportionate with their shareholdings in the Company. The distribution was approved by the Company's shareholders on May 25, 2022, and as a result in May 2022 the Company reclassified its investment in Golden Planet with an estimated fair value at the time of reclassification of $11,960,627 to assets held for distribution (see Note 7). As at September 30, 2023, the distribution was not completed yet and the timing of the distribution was still unknown, and as such in September 2023 the Company reclassified shares of Golden Planet back to investments (see Note 5).

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. FINANCIAL INSTRUMENTS HIERARCHY AND INVESTMENTS

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's investments according to the fair value hierarchy are as follows as at December 31, 2023:

Investments	Level 1 $	Level 2 $	Level 3 $	Total fair value $
Equities	3,801,120	-	1,993,438	5,794,558
Warrants	21,750	1,908,297	-	1,930,047
Total Investments	3,822,870	1,908,297	1,993,438	7,724,605
Investments denominated in foreign currencies	19,606	-	-	19,606
% of investments denominated in foreign currencies	1.0%	-	-	0.5%

The Company's investments according to the fair value hierarchy are as follows as at December 31, 2022:

Investments	Level 1 $	Level 2 $	Level 3 $	Total fair value $
Equities	8,223,586	-	-	8,223,586
Warrants	225,250	9,601,024	-	9,826,274
Total Investments	8,448,836	9,601,024	-	18,049,860
Investments denominated in foreign currencies	1,224,991	45,081	-	1,270,072
% of investments denominated in foreign currencies	14.5%	0.5%	-	7.0%

There were no movements between levels during the years ended December 31, 2023 and 2022.

Warrants held by the Company are classified at fair value through profit or loss, with any gains or losses arising on remeasurement recognized in profit or loss. Within Level 2, the Company includes warrants that do not have a quoted market price and are valued using a Black-Scholes option pricing model using assumptions including risk free interest rate, expected dividend yield, expected volatility and expected remaining life of the warrant which are supported by observable market conditions. The use of reasonably possible alternative assumptions would not significantly affect the Company's results.

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. FINANCIAL INSTRUMENTS HIERARCHY AND INVESTMENTS (continued)

Within Level 3, the Company includes private company investments which are not quoted on an exchange. The key assumptions used in the valuation of these investments include, but are not limited to, the value at which a recent financing was done by the investee, company-specific information, review of adjusted net book values, liquidation analysis, trends in general market conditions, the share performance of comparable publicly-traded companies and a strategic review. A +/- 10% change on the fair value of these investments will result in a corresponding +/- $199,344 (December 31, 2022 - $Nil) change to the total fair value of these investments. The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments.

Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments.

The following tables represent the changes in fair value measurements of financial instruments.

	Level 1	Level 2	Level 3	Total
Balance, December 31, 2022	$ 8,448,836	$ 9,601,024	$ -	$ 18,049,860
Purchases of equities	6,792,702	-	-	6,792,702
Sales of equities	(10,111,368)	-	-	(10,111,368)
Reclassified from assets held for distribution (Note 7)	-	-	1,993,438	1,993,438
Exercises and sales of warrants	1,215,883	(2,851,307)	-	(1,635,424)
Net unrealized losses and foreign exchange losses	(2,523,183)	(4,841,420)	-	(7,364,603)
Balance, December 31, 2023	$ 3,822,870	$ 1,908,297	$ 1,993,438	$ 7,724,605

	Level 1	Level 2	Level 3	Total
Balance, December 31, 2021	$ 25,306,716	$ 27,970,510	$ 35,601,818	$ 88,879,044
Purchases of equities	3,164,395	-	-	3,164,395
Received on sale of Godzilla (Note 4(i))	-	-	2,510,627	2,510,627
Reclassified from assets held for distribution	98,000	-	-	98,000
Reclassified to assets held for distribution (Note 7)	-	-	(11,960,627)	(11,960,627)
Sales of equities	(8,677,743)	-	(25,679,957)	(34,357,700)
Exercises and sales of warrants	3,654,982	(1,626,147)	-	2,028,835
Net unrealized losses and foreign exchange losses	(15,097,514)	(16,743,339)	(471,861)	(32,312,714)
Balance, December 31, 2022	$ 8,448,836	$ 9,601,024	$ -	$ 18,049,860

(Expressed in Canadian Dollars Unless Otherwise Noted)

5. FINANCIAL INSTRUMENTS HIERARCHY AND INVESTMENTS (continued)

(i) Equities Held

	Quantity	Fair Value December 31, 2023 $
Labrador Gold Corp.	8,520,000	1,235,400
Golden Planet Mining Corp.	13,289,586	1,993,438
Other[1]		2,565,720
Total equities held		5,794,558

	Quantity	Fair Value December 31, 2022 $
Labrador Gold Corp.	13,800,000	4,071,000
Tonogold Resources Inc.	22,611,329	1,224,991
Other[1]		2,927,595
Total equities held		8,223,586

1. Aggregate of all equity investments held with individual fair values of less than $1 million.

(ii) Warrants Held

	Quantity	Fair Value December 31, 2023 $
Goliath Resources Inc.	1,800,000	1,082,730
Other[2]		847,317
Total warrants held[1]		1,930,047

	Quantity	Fair Value December 31, 2022 $
Vulcan Minerals Inc.	4,750,000	1,299,127
Santacruz Silver Mining Ltd.	24,133,334	3,461,386
Goliath Resources Inc.	2,500,000	2,216,825
Other[2]		2,848,936
Total warrants held[1]		9,826,274

1. The cost of warrants acquired through participation in private placements of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the purchase price is allocated to common shares based on the fair value of a common share at the date of the transaction and any residual remaining is allocated to common share purchase warrants.
2. Aggregate of all warrant investments held with individual fair values of less than $1 million.

(Expressed in Canadian Dollars Unless Otherwise Noted)

6. NET INVESTMENT LOSSES

Net investment losses consist of the following:

	Year ended December 31, 2023	Year ended December 31, 2022
Net realized losses on disposal of investments	$ (3,599,389)	$ (8,471,843)
Net change in unrealized losses on investments	(7,364,603)	(37,855,595)
Net investment losses	$(10,963,992)	$(46,327,438)

7. ASSETS HELD FOR DISTRIBUTION

At December 31, 2021, included in assets held for distribution were 6,625,653 shares of Nevada King Gold Corp. with an estimated fair value of $2,385,235 and 17,523,107 shares of Goldspot Discoveries Corp. with an estimated fair value of $16,121,258. On March 14, 2022, the Company completed a distribution of 6,275,653 shares of Nevada King Gold Corp. with an estimated fair value of $2,321,992. On April 28, 2022, the Company completed a distribution of 7,328,110 shares of Goldspot Discoveries Corp. with an estimated fair value of $4,616,709. On June 20, 2022, the Company distributed to its shareholders the remaining 10,194,997 shares of Goldspot Discoveries Corp. with an estimated fair value of $3,772,150.

On May 25, 2022, the Company reclassified its investment in 13,289,586 shares of Golden Planet with an estimated fair value of $11,960,627 to assets held for distribution (see Note 4 (ii)). As at September 30, 2023, the distribution was not completed yet and the timing of the distribution was still unknown, and as such on September 30, 2023 the Company reclassified shares of Golden Planet back to investments (see Note 5). At December 31, 2023 and 2022, the estimated fair value of this investment was $1,993,438.

8. INVESTMENT IN NEW FOUND GOLD

As at December 31, 2023, the investment in New Found Gold Corp. ("New Found") represents 25.03% (2022 – 26.67%) of New Found's issued and outstanding common shares and the companies have a director and officer in common, being the Director and Executive Chairman of the Company.

The following table illustrates the summarised financial information of the Company's investment in New Found as at December 31, 2023:

	December 31, 2023 $
Summarised Statement of Financial Position	
Current assets	62,375,526
Non-current assets	829,397,913
Current liabilities	(19,007,634)
Non-current liabilities	(68,839)
Net Assets	872,696,966
The Company's ownership interest	25.03%
Share of New Found's net assets	218,399,205
Summarised Statement of Loss and Comprehensive Loss	
Revenues	-
Loss from continuing operations	(80,319,341)
Post-tax loss from discontinued operations	-
Net loss and comprehensive loss for year	(80,319,341)
Share of New Found's loss for the year ended December 31, 2023	(21,020,996)

(Expressed in Canadian Dollars Unless Otherwise Noted)

8. INVESTMENT IN NEW FOUND GOLD (continued)

The Company performs an impairment assessment on its investment in New Found at each period end. The assessment is based on the review of the recent share price history, review of the industry statistics and assessment of the current market conditions. At December 31, 2023, it was concluded that the investment in New Found is impaired and should be written-down to its estimated fair value of at December 31, 2023 of $218,399,205. During the year ended December 31, 2023, the Company recognized an impairment write-down on its investment in New Found of $19,562,087 (2022 - $136,843,921), which was included in the consolidated loss and comprehensive loss for the year.

The following table illustrates the movement in investment in associate for the years ended December 31, 2023 and 2022:

Net Carrying amount – December 31, 2021	$ 418,166,497
Additional interest acquired	1,750,000
Share of loss from operations of associate	(24,938,130)
Gain on dilution of equity interest	478,018
Impairment loss	(136,843,921)
Net Carrying amount – December 31, 2022	$ 258,612,464
Share of loss from operations of associate	(21,020,996)
Gain on dilution of equity interest	369,824
Impairment loss	(19,562,087)
Net Carrying amount – December 31, 2023	$ 218,399,205

The estimated fair value of investment in New Found was $218,399,205 at December 31, 2023 (2022 - $254,877,016).

9. RELATED PARTY BALANCES AND TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and on terms and conditions that are similar to those of transactions with unrelated parties and are measured at the amount of consideration paid or received. A summary of the Company's related party transactions is as follows:

Disposition of Investments

There were no sales of investments to related parties during the year ended December 31, 2023.

During the year ended December 31, 2022, 26,593 shares of Silver Bullion SG with a fair value of $3,000,000 were sold to the Company's Chief Executive Officer, Collin Kettell, for gross proceeds of $3,000,000. In addition, the Company sold shares of other private company investments with an aggregate fair value of $4,912,139 to Collin Kettell for gross proceeds of $4,912,139.

There are no ongoing contractual commitments resulting from these transactions with related parties.

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers, or companies owned or controlled by them.

(Expressed in Canadian Dollars Unless Otherwise Noted)

9. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Year ended December 31, 2023	Position	Salaries and Consulting $	Bonus $	Share-based compensation $	Total $
Collin Kettell	Chairman and Chief Executive Officer	330,000	82,500	6,875,238	7,287,738
Bassam Moubarak	Chief Financial Officer	270,000	67,500	2,386,446	2,723,946
Gregor Gregersen	Non-executive director	72,000	-	95,458	167,458
Elizabeth Harrison	Non-executive director	72,000	-	95,458	167,458
William Hayden	Non-executive director	72,000	-	95,458	167,458
Total		816,000	150,000	9,548,058	10,514,058

Year ended December 31, 2022	Position	Salaries and Consulting $	Bonus $	Share-based compensation $	Total $
Collin Kettell	Chairman and Chief Executive Officer	330,000	-	-	330,000
Bassam Moubarak	Chief Financial Officer	270,000	-	-	270,000
Gregor Gregersen	Non-executive director	72,000	-	-	72,000
Elizabeth Harrison	Non-executive director	72,000	-	-	72,000
William Hayden	Non-executive director	72,000	-	-	72,000
Total		816,000	-	-	816,000

Under the terms of their management agreements, certain officers of the Company are entitled to 24 months of base pay in the event of their agreements being terminated without cause.

At December 31, 2023, there was $1,970 payable to Collin Kettell for expense reimbursements included in accounts payable and accrued liabilities (December 31, 2022 - $Nil).

On February 1, 2023, the Company granted 4,201,000 stock options to directors and officers with an exercise price of $4.20 per share for a period of five years (see Note 10). The options vested immediately.

10. SHARE CAPITAL

Authorized Share Capital

At December 31, 2023 and 2022, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Share Consolidation

Effective June 30, 2022, the Company completed a 2-for-1 share consolidation. All share and per share amounts have been retroactively restated to reflect the share consolidation.

Details of Common Shares Issued/Re-Purchased in 2023

There were no shares issued during the year ended December 31, 2023.

(Expressed in Canadian Dollars Unless Otherwise Noted)

10. SHARE CAPITAL (continued)

On March 15, 2023, the Board of Directors of the Company has agreed that up to 2,467,298 shares will be acquired under the normal course issuer bid (the "NCIB"), constituting approximately 5.0% of the issued and outstanding shares. The Company submitted a Notice of Intention to Make a Normal Course Issuer Bid (the "Notice") to the TSXV. The Notice was accepted by the TSXV on March 29, 2023. The NCIB will expire on September 30, 2024, unless terminated earlier.

During the year ended December 31, 2023, the Company repurchased 1,442,000 of its previously issued and outstanding common shares at a weighted-average price of $2.44 per common share for a total price of $3,511,843. Out of 1,442,000 re-purchased common shares, 1,342,000 were returned to treasury and cancelled, with the remaining 100,000 shares cancelled subsequent to December 31, 2023 (see Note 17).

Details of Common Shares Issued/Re-Purchased in 2022

On June 2, 2022, the Company sold the remaining balance of 161,682 Silver Bullion SG shares (see Note 5) to the Company's shareholders in exchange for their 2,254,761 shares of the Company. The fair market value of 2,254,761 shares of the Company received as consideration of $17,810,889 was estimated based on the fair value of the net assets of the Company as at June 2, 2022 divided by the number of shares outstanding since it has been determined that the Company's net assets, comprised mainly of its investment portfolio are representative of the fair value of its shares. There was no gain or loss recognized on the sale. 2,254,761 shares of the Company received as a result of the sale of 161,682 Silver Bullion SG shares were returned to treasury and cancelled on June 30, 2022.

On December 15, 2021, the Company incorporated 1338072 BC Ulc. On December 31, 2021, the Company's wholly owned subsidiary Palisade Global transferred its 12,967,575 shares of the Company to 1338072 BC Ulc in exchange for shares of 1338072 BC Ulc. On April 9, 2022, Palisade Global was dissolved whereas its investment in 1338072 BC Ulc was transferred to the Company as part of the transfer of assets on dissolution. Effective June 22, 2022, the Company completed an amalgamation with its wholly-owned subsidiary, 1338072 BC Ulc. As a result of the amalgamation, the Company acquired ownership of an aggregate of 12,967,575 shares of the Company. These shares were returned to treasury and cancelled on June 30, 2022, which resulted in the remaining balance of treasury shares of Nil at December 31, 2022.

Warrants

The continuity of warrants for the year ended December 31, 2023 is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2022	Issued	Exercised	Cancelled/ Expired	Outstanding December 31, 2023
October 11, 2024	$2.48	356,983	-	-	-	356,983
November 19, 2023	$2.81	157,087	-	-	(157,087)	-
		514,070	-	-	(157,087)	356,983
Weighted average exercise price $		2.59	-	-	2.81	2.48
Weighted average contractual remaining life (years)		1.51	-	-	-	0.78

(Expressed in Canadian Dollars Unless Otherwise Noted)

10. SHARE CAPITAL (continued)

The continuity of warrants for the year ended December 31, 2022 is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2021	Issued	Exercised	Cancelled/ Expired	Outstanding December 31, 2022
October 11, 2024	$2.48	356,983	-	-	-	356,983
November 19, 2023	$2.81	157,087	-	-	-	157,087
		514,070	-	-	-	514,070
Weighted average exercise price $		2.70	-	-	-	2.59
Weighted average contractual remaining life (years)		2.51	-	-	-	1.51

Stock Option Plan

The Company has a share purchase option compensation plan that allows it to grant share purchase options to its officers, directors, employee and service providers based on the maximum number of eligible shares not exceeding 10% in the aggregate of the Company's outstanding common shares at the time of grant.

Stock Options

The continuity of stock options for the year ended December 31, 2023 is as follows is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2022	Issued	Exercised	Cancelled/ Expired	Outstanding December 31, 2023
May 21, 2026	$10.60	732,812	-	-	(732,812)	-
February 1, 2028	$4.20	-	4,201,000	-	-	4,201,000
		732,812	4,201,000	-	(732,812)	4,201,000
Weighted average exercise price $		10.60	4.20	-	10.60	4.20
Weighted average contractual remaining life (years)		3.39	5.00	-	-	4.09

The continuity of stock options for the year ended December 31, 2022 is as follows is as follows:

Expiry date	Exercise Price	Outstanding December 31, 2021	Issued	Exercised	Cancelled/ Expired	Outstanding December 31, 2022
May 21, 2026	$10.60	5,053,886	-	-	(4,321,074)	732,812
		5,053,886	-	-	(4,321,074)	732,812
Weighted average exercise price $		10.60	-	-	-	10.60
Weighted average contractual remaining life (years)		4.39	-	-	-	3.39

(Expressed in Canadian Dollars Unless Otherwise Noted)

10. SHARE CAPITAL (continued)

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Year ended December 31, 2023
Risk-free interest rate	2.93%
Expected option life in years	5.0
Expected share price volatility(i)	84.59%
Grant date share price (ii)	$3.50
Grant date fair value	$2.27
Expected forfeiture rate	-
Expected dividend yield	Nil

(i) The expected share price volatility is based on the average historical share price of comparable companies over the life of the options.
(ii) The grant date share price has been estimated based on the market price of the Company's shares right after completion of the IPO in February 2023.

11. BASIC AND DILUTED EARNINGS PER COMMON SHARE

Diluted loss per common share did not include the effect of 100,000 (2022 – Nil) common shares held by the Company as treasury stock. Diluted loss per common share at December 31, 2023 did not include the effect of 4,201,000 (2022 – 732,812) stock options and 356,983 (2022 – 514,070) warrants outstanding as their effect was anti-dilutive.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Year ended December 31, 2023	Year ended December 31, 2022
	$	$
Non-cash investing and financing activities:		
Investments in shares of Golden Planet added on reclassification from assets held for distribution (Note 4(i))	1,993,438	-
Investments added on sale of Godzilla (Note 4(i))	-	2,510,800
Investments in shares of Nevada King distributed to shareholders at fair value (Note 7)	-	(2,321,992)
Investments in shares of Goldspot Discoveries Corp. distributed to shareholders at fair value (Note 7)	-	(8,388,859)
Investments in private company shares sold for shares of the Company (Note 9)	-	(17,810,889)
Cash paid for interest	-	(266)

(Expressed in Canadian Dollars Unless Otherwise Noted)

13. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial income tax expense and pre-tax net profit is as follows:

	2023	2022
	$	$
Income before income taxes	(63,043,808)	(206,957,671)
Combined federal and provincial statutory income tax rate	27.00%	27.00%
Expected income tax	(17,021,828)	(55,878,571)
Non-deductible expenditures	2,471,326	4,465
Change in estimate	41	(2,332,800)
Change in deferred tax assets not recognized	-	59,401
Other	68,556	(649,718)
Income tax recovery	(14,381,905)	(58,797,223)

Deferred taxes reflect the net tax effects of differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	2023	2022
	$	$
Deferred income tax liabilities		
Investments, including investment in associate	(56,768,124)	(67,432,685)
Investments held for distribution	-	-
Deferred income tax assets		
Non-capital losses carryforward	4,523,327	777,916
Other	91,433	119,500
Net deferred tax liability	(52,153,364)	(66,535,269)

As at December 31, 2023, the Company has Canadian non-capital loss carry forwards of $16,753,063 (2022 - $2,881,169) which may be carried forward and applied against future income for Canadian income tax purposes, subject to final determination by tax authorities, expiring in 2043.

14. CONTINGENT LIABILITY

On November 15, 2019, ThreeD Capital Inc. ("ThreeD") and 1313366 Ontario Inc. ("131" and together with ThreeD, the "Plaintiffs") each entered into share purchase agreements (the "Share Purchase Agreements") with the Company under which the Company agreed to purchase the 13,500,000 Common Shares of New Found owned by ThreeD and the 4,000,000 Common Shares of New Found owned by 131 for $0.08 per Common Share. The transactions closed on November 20, 2019.

On March 10, 2020, ThreeD Capital Inc. and 131 filed a statement of claim in the Ontario Superior Court of Justice against Collin Kettell, New Found and the Company (the "ThreeD Claim"). Mr. Kettell is a Chairman and Chief Executive Officer of both the Company and New Found. Pursuant to the ThreeD Claim, the Plaintiffs are challenging the validity of the sale of 17,500,000 Common Shares by the Plaintiffs to the Company on November 20, 2019.

14. CONTINGENT LIABILITY (continued)

ThreeD and 131 claim that at the time of negotiation and execution of the Share Purchase Agreements, the Company and Mr. Kettell were aware of positive drill results from New Found's 2019 Drill Program and the results were not disclosed to ThreeD and 131 to their detriment. The Company and Mr. Kettell strongly deny ThreeD and 131's allegations. ThreeD and 131 have made specific claims for (a) recission of the Share Purchase Agreements on the basis of oppression or unfair prejudice; (b) or alternatively, damages in the amount of $21,000,000 for the alleged improper actions by Mr. Kettell and the Company, (c) a declaration that the Company and Collin Kettell, as shareholder or director and/or officer of New Found, have had acted in a manner that is oppressive, unfairly prejudicial or unfairly disregarded their interests, (d) a declaration that the Company and Collin Kettell engaged in insider trading contrary to section 138 of the *Securities Act* (Ontario), (e) unjust enrichment and (f) interests and costs. The Company and Mr. Kettell refute each of the specific claims made by the Plaintiffs.

The Company filed a statement of defence in response to the ThreeD Claim on June 12, 2020, pursuant to which, among other things, the Company denies that it is a proper party to the ThreeD Claim and the allegations against it therein, including because no relief is claimed against the Company in paragraph 1 of the ThreeD Claim. The action has now progressed through the production of documents and oral examinations for discovery stages.

In early 2022, the Plaintiffs formally amended their statement of claim to increase the amount claimed to $229,000,000 and to advance a direct claim of oppressive conduct against the Company. While continuing to deny any and all liability to the Plaintiffs, the Company has amended its defence to include specific denials of the new allegations of oppressive conduct against it. The parties completed an additional round of examinations for discovery in January 2023, following which the plaintiffs set the action down for trial. The parties had a mediation meeting on October 3, 2023, but were unable to settle the case. A trial date has been set for January 2025.

The outcome of this claim cannot be determined at this time and therefore no amount has been accrued for.

15. FINANCIAL RISK MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is not exposed to significant credit risk on its cash and cash equivalents since they are placed with major financial institutions that have high credit ratings. The credit risk exposure of the Company's investments is represented by their values disclosed. There have been no changes in management's methods for managing credit risk since December 31, 2022.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company generates cash flow primarily from proceeds from the disposition of its investments and interest income. The Company invests in junior resource companies, which can at times be relatively illiquid. If the Company decides to dispose of securities of a particular issuer, it may not be able to so at the time at favourable prices, or at all. Additionally, the amounts at which the Company's private company investments could be disposed of currently may differ from their carrying values since there is no active market to dispose of these investments. The Company has also relied on the issuance of shares to fund its activities and may require doing so again in the future.

There were no changes in management's methods for managing liquidity risk since December 31, 2022.

15. FINANCIAL RISK MANAGEMENT (continued)

At December 31, 2023, the Company has $73,874 (December 31, 2022 - $178,309) in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is focused on junior companies in the resource and mining sector. Changes in the future pricing and demand of these commodities can have a material impact on the market value of the investments. The nature of such investments is normally dependent on the invested company being able to raise additional capital to further development and to determine the commercial viability of is resource properties. The value of each investment is also influenced by the outlook of the issuer and by general economic and political conditions. Management mitigates the risk of loss resulting from this concentration by monitoring the trading value of the investments on a regular basis. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value.

There were no changes in management's methods for managing market risk since December 31, 2022. The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer, although the Company's investment activities are concentrated on junior companies in the resource and mining sector. The Company also requires approval from the board of directors for purchases of investments over a certain cost threshold.

A 5% change in the future pricing and trading value of the Company's investments (with all other variables held constant) as at December 31, 2023, would change the Company's total comprehensive income (loss) by $386,230 (December 31, 2022 - $902,493).

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

(ii) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company may have financial instruments denominated in foreign currencies such as the U.S. dollar and the Australian dollar. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of its financial instruments.

The Company does not hedge its exposure to fluctuations in foreign exchange rates.

There were no changes in management's methods for managing currency risk since December 31, 2022.

A 5% change in the exchange rate of the Company's investments held in foreign currencies relative to the Canadian dollar would change the Company's total comprehensive income (loss) by $980 (December 31, 2022 – $63,504).

16. CAPITAL MANAGEMENT

The Company manages its cash and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its technology and products and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The Company will require capital resources to carry its plans and operations through its current operating period.

The Company is not subject to externally imposed capital requirements.

There were no changes in management's approach to capital management since the year ended December 31, 2022.

17. SUBSEQUENT EVENT

Re-purchase of common shares

Subsequent to December 31, 2023, 100,000 common shares re-purchased by the Company during the year ended December 31, 2023 (see Note 10) were returned to the treasury and cancelled.